

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2009-500-C - ORDER NO. 2010-249

APRIL 6, 2010

IN RE:	Application of Georgia Business Net)	ORDER GRANTING
	Telecommunications, LLC for a Certificate)	CERTIFICATE AND
	of Public Convenience and Necessity to)	APPROVING FLEXIBLE
	Provide Local Exchange Service and)	AND MODIFIED
	Intrastate Interexchange Telecommunications)	ALTERNATIVE
	Services within the State of South Carolina,)	REGULATION
	for Flexible Rate Structure for Local)	
	Exchange Service Offerings First Approved)	
	in Docket No. 1997-467-C and for)	
	Alternative Regulation First Approved in)	
	Docket No. 1995-661-C)	

This matter comes before the Public Service Commission of South Carolina (“Commission”) by way of the Application of Georgia Business Net Telecommunications, LLC (“GABN” or the “Company” or the “Applicant”) requesting a Certificate of Public Convenience and Necessity authorizing it to provide resold and facilities-based interexchange and local exchange telecommunications services within the State of South Carolina. The Company’s Application was filed pursuant to S.C. Code Ann. §58-9-280 (Supp. 2009) and the rules and regulations of the Commission. By its Application, GABN also requests flexible regulation of its local exchange service offerings pursuant to Order No. 98-165 in Docket No. 1997-467-C, alternative regulation of its business interexchange services consistent with Commission Orders, and waiver of certain Commission regulations.

The Commission's Docketing Department instructed GABN to publish, one time, a Notice of Filing in newspapers of general circulation in the areas of the state affected by the Application. The purpose of the Notice of Filing was to inform interested parties of the Application of GABN and of the manner and time in which to file the appropriate pleadings for participation in the proceeding. GABN complied with this instruction and provided the Commission with proof of publication of the Notice of Filing. A Petition to Intervene was filed by the South Carolina Telephone Coalition ("SCTC"). Subsequent to the intervention, GABN and the SCTC reached a Stipulation, attached hereto as Order Exhibit 1.

Subsequently, GABN and the South Carolina Office of Regulatory Staff ("ORS") filed a Stipulation attached hereto as Order Exhibit 2. A hearing was convened on March 8, 2010, at 10:00 a.m. in the Commission's Law Library in Columbia, South Carolina, before David Butler, Hearing Examiner. GABN was represented by John J. Pringle, Jr., Esquire. The ORS was represented by Shannon Bowyer Hudson, Esquire. William Colvin, the president of the Company appeared and testified in support of the Company's Application.

The record reveals that GABN is a limited liability company organized under the laws of the State of Georgia and that it is registered to transact business in South Carolina as a foreign company. According to Mr. Colvin, the Company seeks authority to provide local exchange and interexchange services. Mr. Colvin explained the Company's request for authority, and the record further reveals the Company's services, operations, and marketing procedures. The Company intends to offer services in South Carolina through

a combination of its own facilities and facilities leased from AT&T. Mr. Colvin also discussed GABN's technical, financial, and managerial resources to provide the services for which it seeks authority. Mr. Colvin offered that GABN possesses sufficient financial resources to support its operations in South Carolina.

With regard to management and technical capabilities, the Company's Application and Mr. Colvin's testimony both evidence that GABN's management has experience in telecommunications, information technology, regulatory matters, and accounting and finance. Mr. Colvin also testified that GABN will operate in accordance with Commission rules, regulations, guidelines, and Commission Orders. Mr. Colvin offered that approval of GABN's Application would serve the public interest. Mr. Colvin, on behalf of the Company, requested an exemption from record keeping policies that require maintenance of financial records in conformance with the Uniform System of Accounts ("USOA"). GABN maintains its books in accordance with Generally Accepted Accounting Principles ("GAAP").

After consideration of the applicable law, the Company's Application, and the evidence presented at the hearing, the Commission hereby issues its findings of fact and conclusions of law:

FINDINGS OF FACT

1. GABN is organized as a limited liability company under the laws of the State of Georgia, and is authorized to do business as a foreign company in South Carolina by the Secretary of State.

2. GABN desires to operate as a provider of resold and facilities-based local and interexchange services in South Carolina.

3. We find that GABN possesses the managerial experience and capability to operate as a provider, through resale and by means of its own facilities, of local exchange services and interexchange services in South Carolina.

4. We find that GABN possesses sufficient financial resources to provide the services as described in its Application and testimony.

5. We find that the issuance of a Certificate of Public Convenience and Necessity to GABN to operate as a provider of interexchange and local exchange telecommunications services in South Carolina would be in the best interest of the citizens of South Carolina by providing more innovative services.

6. We find that GABN does not intend to offer prepaid calling card services but, in the event that GABN in the future offers or provides such a service, GABN shall post a surety bond or certificate of deposit for prepaid calling card and long distance services in the amount of \$5,000 as required by the Commission

7. GABN requests a waiver of 26 S.C. Code Ann. Regs. 103-610. The Commission finds GABN's requested waiver reasonable and understands the potential difficulty presented to GABN should the waiver not be granted. Further, we find that a waiver of 26 S.C. Code Ann. Regs. 103-610 is in the public interest. We also believe that exemption from the policies that would require the Company to keep its records under the USOA is reasonable.

8. The Company has the managerial, technical, and financial resources to provide the services as described in its Application. S.C. Code Ann. Section 58-9-280 (B) (1) (Supp. 2009).

9. The Commission finds that the Company's "provision of service will not adversely impact the availability of affordable local exchange service." S.C. Code Ann. Section 58-9-280 (B) (3) (Supp. 2009).

10. The Commission finds that the Company will support universally available telephone service at affordable rates. S.C. Code Ann. Section 58-9-280 (B) (4) (Supp. 2009).

11. The Commission finds that services to be provided by the Company will meet the service standards of the Commission. S.C. Code Ann. Section 58-9-280 (B) (2) (Supp. 2009).

12. The Commission finds that the provision of local exchange service by the Company "does not otherwise adversely impact the public interest." S.C. Code Ann. Section 58-9-280(B)(5) (Supp. 2009).

13. The Stipulations between the Applicant and SCTC and the Applicant and ORS are fair and reasonable and in the public interest.

CONCLUSIONS OF LAW

1. The Commission concludes that GABN possesses the managerial, technical, and financial resources to provide the telecommunications services as described in its Application.

2. The Commission concludes that GABN will participate in the support of universally available telephone service at affordable rates to the extent that GABN may be required to do so by the Commission.

3. The Commission concludes that GABN will provide services which will meet the service standards of the Commission.

4. The Commission concludes that approval of GABN's Application to provide intrastate telecommunications services within South Carolina will serve the public interest by providing for efficient use of existing telecommunications resources.

5. The Commission concludes that the provision of telecommunications service by GABN will not adversely impact the public interest.

6. The Commission concludes that the issuance of the authority to provide intrastate interexchange and local exchange telecommunications services as requested by GABN and as set forth in its Application and Mr. Colvin's testimony is in the best interests of the citizens of the State of South Carolina.

7. The Commission concludes that a Certificate of Public Convenience and Necessity should be granted to GABN to provide resold and facilities-based intrastate interexchange and local exchange telecommunications services.

8. The Commission adopts a rate design for GABN for its residential interexchange services which include maximum rate levels for each tariff charge. A rate structure incorporating maximum rate levels with the flexibility for adjustment below the maximum rate levels has been previously adopted by the Commission. *In Re:*

Application of GTE Sprint Communications Corporation, etc., Order No. 84-622, issued in Docket No. 84-10-C (August 2, 1984).

9. GABN shall not adjust its residential interexchange rates for end-users below the approved maximum level without notice to the Commission and to the public. GABN shall file its proposed rate changes, publish its notice of such changes, and file affidavits of publication with the Commission two weeks prior to the effective date of the changes. However, the public notice requirement is waived, and therefore not required, for reductions below the maximum cap in instances which do not affect the general body of subscribers or do not constitute a general rate reduction. *In Re: Application of GTE Sprint Communications, etc.*, Order No. 93-638, issued in Docket No. 84-10-C (July 16, 1993). Any proposed increase in the maximum rate level for residential interexchange services reflected in the tariff which would be applicable to the general body of the Company's subscribers shall constitute a general ratemaking proceeding and will be treated in accordance with the notice and hearing provisions of S.C. Code Ann. §58-9-540 (Supp.2009).

10. The Commission concludes that GABN's intrastate interexchange business telecommunications services shall be regulated in accordance with the principles and procedures established for alternative regulation of business service offerings set out in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C. The Commission has previously granted this "alternative regulation" to competitive intrastate interexchange carriers operating within South Carolina, and the Commission concludes that the competitive marketplace requires the Commission to allow this flexible regulation to

those carriers which request it. Specifically, the Commission-approved alternative regulation allows business service offerings, including consumer card services, operator services, and private line service, to be subject to a relaxed regulatory scheme identical to that granted to AT&T Communications in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C.

However, pursuant to Order No. 2001-997 (Docket No. 2000-407-C), this Commission has modified alternative regulation by the re-imposition of rate caps with regard to certain “operator-assisted calls” where a customer uses a local exchange carrier’s calling card to complete calls from locations which have not selected that local exchange carrier as the toll provider. Order No. 2001-997, dated November 8, 2001, imposed a maximum cap of \$1.75 for operator surcharges for such calls, and a maximum cap of \$0.35 related to the flat per-minute rate associated with these calls. Under this relaxed regulatory scheme, tariff filings for business services shall be presumed valid upon filing.

If an investigation of a particular tariff filing is instituted within seven days of the filing date, the tariff filing will then be suspended until further Order of the Commission. If an investigation is instituted on a particular tariff filing, notice of the investigation will be provided to the person or entity making the tariff filing and to the Commission. The notice is timely if dated within seven (7) days of the filing date.

11. The Commission concludes the Company’s local exchange telecommunications services shall be regulated in accordance with the principles and procedures established for flexible regulation first granted to NewSouth Communications

by Order No. 98-165 in Docket No. 97-467-C. Specifically, the Commission adopts for the Company's competitive intrastate local exchange services a rate structure incorporating maximum rate levels with the flexibility for adjustment below the maximum rate levels approved by the Commission. Further, the Company's local exchange service tariff filings are presumed valid upon filing. An investigation of the tariff filing may be instituted within 30 days of the tariff filing, in which case the tariff filing would be suspended pending further Order of the Commission. If an investigation is instituted on a particular tariff filing, notice of the investigation will be provided to the person or entity making the tariff filing and to the Commission. The notice is timely if dated within thirty (30) days of the filing date. Further, any such tariff filings will be subject to the same monitoring process as similarly situated local exchange carriers.

12. We conclude that GABN's request for waiver of 26 S.C. Code Ann. Regs. 103-610 should be granted, since strict compliance with the regulation potentially causes undue hardship on the Company. We also grant exemption from the policies requiring the use of USOA.

13. The Stipulations between the Applicant and SCTC and the Applicant and ORS should be approved.

IT IS THEREFORE ORDERED, ADJUDGED, AND DECREED THAT:

1. A Certificate of Public Convenience and Necessity should be granted to GABN to provide resold interexchange services and through the resale of services authorized for resale by tariffs of carriers approved by the Commission and by means of

its own facilities as applicable, as well as to provide resold and facilities-based local exchange telecommunications services within the State of South Carolina.

2. The Company's rate designs for its products shall conform to those designs described in Conclusions of Law above.

3. If it has not already done so by the date of issuance of this Order, GABN shall file its revised tariff, if any, and an accompanying price list for any applicable rates within thirty (30) days of receipt of this Order. The revised tariff shall be consistent with the findings of this Order and shall be consistent with the Commission's Rules and Regulations, as well as the provisions of the GABN-ORS Stipulation.

4. GABN agrees it will file its final, revised tariff utilizing the Commission's e-filing system for tariffs. The revised tariff should be electronically filed in a text searchable PDF format using the Commission's DMS System (<http://dms.psc.sc.gov>). An additional copy should be sent via email to etariff@psc.sc.gov to be included in the Commission's ETariff System (<http://etariff.psc.sc.gov>). Future revisions to the tariff should be made using the ETariff System. The revised tariff shall be consistent with the findings of this Order and shall be consistent with the Commission's Rules and Regulations.

5. The Company's service is subject to access charges pursuant to Commission Order No. 86-584, in which the Commission determined that for access purposes resellers and facilities-based interexchange carriers should be treated similarly.

6. With regard to the Company's resale of service, an end-user should be able to access another interexchange carrier or operator service provider if the end-user so desires.

7. GABN shall resell the services of only those interexchange carriers or LECs authorized to do business in South Carolina by this Commission. If GABN changes underlying carriers, it shall notify the Commission in writing.

8. With regard to the origination and termination of toll calls within the same LATA, GABN shall comply with the terms of Order No. 93-462, Order Approving Stipulation and Agreement, in Docket Nos. 92-182-C, 92-183-C, and 92-200-C (June 3, 1993), with the exception of the 10-XXX intraLATA dialing requirement, which has been rendered obsolete by the toll dialing parity rules established by the FCC pursuant to the Telecommunications Act of 1996 (47 C.F.R. § 51.209). Specifically, GABN shall comply with the imputation standard as adopted by Order No. 93-462 and more fully described in paragraph 4 of the Stipulation and Appendix B approved by Order No. 93-462.

9. GABN shall file annual financial information in the form of annual reports and gross receipts reports as required by the Commission. The annual report and the gross receipt report will necessitate the filing of intrastate information. Therefore, GABN shall keep financial records on an intrastate basis for South Carolina to comply with the annual report and gross receipts filings. The proper form for filing annual financial information can be found at the Commission's website or at the ORS' website at www.regulatorystaff.sc.gov. The title of this form is "Telecommunications Company

Annual Report.” This form shall be utilized by the Company to file annual financial information with the Commission and ORS and shall be filed no later than **April 1st**.

Commission gross receipts forms are due to be filed with the Commission and ORS no later than **August 31st** of each year. The proper form for filing gross receipts information can be found at the ORS website at www.regulatorystaff.sc.gov, and the appropriate form is entitled “Gross Receipts Form.”

Each telecommunications company certified in South Carolina is required to file annually with the ORS the South Carolina Universal Service Fund (“USF”) Contribution Worksheet, which may be found on the ORS’s website at www.regulatorystaff.sc.gov. This worksheet provides ORS information required to determine each telecommunications company’s liability to the State USF fund. The State USF worksheet is due to be filed annually no later than **July 1st** with ORS.

10. The Company shall, in compliance with Commission regulations, designate and maintain an authorized utility representative who is prepared to discuss, on a regulatory level, customer relations (complaint) matters, engineering operations, tests, and repairs. In addition, the Company shall provide to the Commission and ORS in writing the name of the authorized representative to be contacted in connection with general management duties as well as emergencies which occur during non-office hours. GABN shall file the names, addresses, and telephone numbers of these representatives with the Commission within thirty (30) days of receipt of this Order. The “Authorized Utility Representative Information” form can be found at the Commission’s website at www.psc.sc.gov/forms.asp; this form shall be utilized for the provision of this

information to the Commission and ORS. Further, the Company shall promptly notify the Commission and ORS in writing if the representatives are changed.

11. The Company is directed to comply with all Rules and Regulations of the Commission, unless a regulation is specifically waived by the Commission.

12. At the hearing, GABN requested a waiver of 26 Code Ann. Regs. 103-610 (Supp. 2009), which requires that records required by the Commission's Rules and Regulations be maintained in South Carolina. The Commission finds GABN's requested waiver reasonable and understands the potential difficulty presented to GABN should the waiver not be granted. The Commission therefore grants the requested waiver. However, GABN shall make available its books and records at all reasonable times upon request by the ORS, and GABN shall promptly notify the Commission and ORS if the location of its books and records changes.

13. GABN also requests that it be exempt from record keeping policies that require a carrier to maintain its financial records in conformance with the Uniform System of Accounts. The USOA was developed by the FCC as a means of regulating telecommunications companies subject to rate base regulation. As a competitive carrier, GABN maintains its book of accounts in accordance with Generally Accepted Accounting Principles ("GAAP"). GAAP is used extensively by interexchange carriers and other competitive local exchange carriers. Accordingly, GABN requests an exemption from the USOA requirements. We grant the Company's request for the reasons stated above.

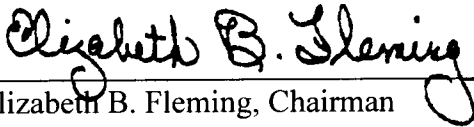
14. GABN shall be required to comply with Title 23, Chapter 47, South Carolina Code of Laws Annotated which governs the establishment and implementation of a "Public Safety Communications Center," which is more commonly known as a "911 system" or "911 service." Services available through a 911 system include law enforcement, fire, and emergency medical services. In recognition of the necessity of quality 911 services being provided to the citizens of South Carolina, the Commission hereby instructs GABN to contact the appropriate authorities regarding 911 service in the counties and cities where GABN will be operating. Contact with the appropriate 911 service authorities is to be made before providing voice or dial tone telephone service in South Carolina. Accompanying this Order is a memo from the State 911 Office of Research & Statistics of the South Carolina Budget and Control Board. This memo provides information about contacting County 911 Coordinators. By this Order and prior to providing voice or dial-tone services in South Carolina, GABN is directed to contact the 911 Coordinator in each county, as well as the 911 Coordinator in each city where the city has its own 911 system, and shall provide information regarding the Company's operations as required by the 911 system.

15. To the extent necessary, GABN shall engage in good faith negotiations with non-BellSouth incumbent local exchange carriers whose networks interconnect with BellSouth at the same local tandem regarding traffic exchange;

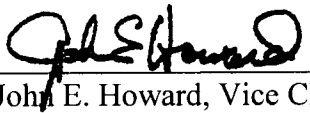
16. The Stipulations between the Applicant and SCTC and the Applicant and ORS are hereby approved.

17. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:


Elizabeth B. Fleming, Chairman

ATTEST:


John E. Howard, Vice Chairman

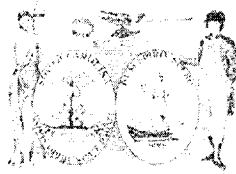
(SEAL)

STATE OF SOUTH CAROLINA
State Budget and Control Board
OFFICE OF RESEARCH & STATISTICS

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Bobby Bowers
DIRECTOR

August 2, 2004

To: Telephone Companies New to South Carolina

In an effort to continue providing quality emergency services to the citizens of South Carolina, the State 911 Office requests that before beginning telephone services in a county, you contact the 911 Coordinator in that county. This will allow both parties to obtain important information about providing 911 services in that county. If you have already begun services, then contact the coordinator as soon as possible.

A list of County 911 Coordinators can be found on the South Carolina E911 homepage at www.ors.state.sc.us/digital/E-911.ASP. If you have any questions related to 911 in South Carolina, you may contact E911 Coordinations at the Office of Research and Statistics at 803-734-3883. The person responsible for this can also be found on the 911 homepage. Please be aware that some cities may have their own E911 systems, these are also listed on the 911 homepage. These city coordinators will need to be contacted in addition to the county coordinators.

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BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA

Docket No. 2009-500-C

Re: Application of Georgia Business Net Telecommunications)
for a Certificate of Public Convenience and Necessity to)
Provide Facilities-based and Resold Local Exchange and)
Intrastate, Interexchange Telecommunications and Data)
Communications Services in the State of South Carolina)
_____)

STIPULATION

The South Carolina Telephone Coalition ("SCTC") (see attachment "A" for list of companies) and Georgia Business Net Telecommunications, LLC ("Georgia Business Net") hereby enter into the following stipulations. As a consequence of these stipulations and conditions, SCTC does not oppose Georgia Business Net's Application. SCTC and Georgia Business Net stipulate and agree as follows:

1. SCTC does not oppose the granting of a statewide Certificate of Public Convenience and Necessity to Georgia Business Net, provided the South Carolina Public Service Commission ("Commission") makes the necessary findings to justify granting of such a certificate, and provided the conditions contained within this stipulation are met.

2. Georgia Business Net stipulates and agrees that any Certificate which may be granted will authorize Georgia Business Net to provide service only to customers located in non-rural local exchange company ("LEC") service areas of South Carolina, except as provided herein.

3. Georgia Business Net stipulates that it is not asking the Commission to make a finding at this time regarding whether competition is in the public interest for rural areas.

4. Georgia Business Net stipulates and agrees that it will not provide any local service, by its own facilities or otherwise, to any customer located in a rural incumbent LEC's service area,

unless and until Georgia Business Net provides such rural incumbent LEC and the Commission with written notice of its intent to do so at least thirty (30) days prior to the date of the intended service. During such notice period, the rural incumbent LEC will have the opportunity to petition the Commission to exercise all rights afforded it under Federal and State law. Also, Georgia Business Net acknowledges that the Commission may suspend the intended date for service in rural LEC territory for ninety (90) days while the Commission conducts any proceeding incident to the Petition or upon the Commission's own Motion, provided that the Commission can further suspend the implementation date upon showing of good cause.

5. Georgia Business Net stipulates and agrees that, if Georgia Business Net gives notice that it intends to serve a customer located in a rural incumbent LEC's service area, and either (a) the Commission receives a Petition from the rural incumbent LEC to exercise its rights under Federal or State law within such 30-day period, or (b) the Commission institutes a proceeding of its own, then Georgia Business Net will not provide service to any customer located within the service area in question without prior and further Commission approval.

6. Georgia Business Net acknowledges that any right which it may have or acquire to serve a rural telephone company service area in South Carolina is subject to the conditions contained herein, and to any future policies, procedures, and guidelines relevant to such proposed service which the Commission may implement, so long as such policies, procedures, and guidelines do not conflict with Federal or State law.

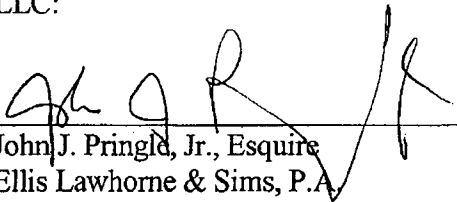
7. The parties stipulate and agree that all rights under Federal and State law are reserved to the rural incumbent LECs and Georgia Business Net, and this Stipulation in no way suspends or adversely affects such rights, including any exemptions, suspensions, or modifications to which they may be entitled.

8. Georgia Business Net agrees to abide by all State and Federal laws and to participate, to the extent it may be required to do so by the Commission, in the support of universally available telephone service at affordable rates.

9. Georgia Business Net hereby amends its application and its prefiled testimony in this docket to the extent necessary to conform with this Stipulation.

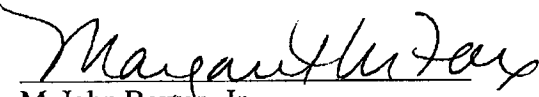
AGREED AND STIPULATED to this 4th day of February, ~~2010~~ 2009.

Georgia Business Net Telecommunications,
LLC:


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Coalition

ATTACHMENT A

South Carolina Telephone Coalition Member Companies
for Purposes of Local Service Stipulation

Chesnee Telephone Company
Chester Telephone Company
Farmers Telephone Cooperative, Inc.
Ft. Mill Telephone Company
Home Telephone Company, Inc.
Lancaster Telephone Company
Lockhart Telephone Company
McClellanville Telephone Company
Norway Telephone Company
Palmetto Rural Telephone Cooperative, Inc.
Piedmont Rural Telephone Cooperative, Inc.
Pond Branch Telephone Company
Ridgeway Telephone Company
Rock Hill Telephone Company
Sandhill Telephone Cooperative, Inc.
St. Stephen Telephone Company
West Carolina Rural Telephone Cooperative, Inc.
Williston Telephone Company

55 in Docket 95-661-C as modified by Order No. 2001-997 in Docket No, 200-407-C; (iv) for waiver of certain Commission Regulations, specifically Regulation 103-610 regarding location of records; and (v) a waiver of any requirement to maintain financial records in conformance with the Uniform System of Accounts (“USOA”).

WHEREAS on December 14, 2009, the Commission issued a Notice of Filing and Hearing and established a return date of January 19, 2010, for the filing of letters of protest or petitions to intervene and established a hearing date of March 8, 2010, for the application to be heard before hearing examiner David Butler, Esquire;

WHEREAS, on January 25, 2010, the Company filed the direct testimony of William C. Colvin with the Commission;

WHEREAS, the purpose of this proceeding is to review the application filed by GABN and its requests (i) for a Certificate of Public Convenience and Necessity to provide local exchange service and intrastate interexchange telecommunications services within the State of South Carolina, pursuant to S.C. Code Ann. §58-9-280(B), as amended, 26 S.C. Reg. 103-823 and Section 253 of the Telecommunications Act of 1996; (ii) flexible regulation for its local exchange telecommunications services; (iii) alternative regulation of its interexchange services and (iv) waiver of certain regulations of the Commission;

WHEREAS, since the filing of the notice, ORS has conducted a review of the technical, managerial, and financial expertise of GABN to provide the services requested in the Application;

WHEREAS, ORS has reviewed the Application, the testimony of Mr. Colvin, and the financial data provided by GABN, and ORS has calculated certain performance ratios based upon information provided by GABN;

WHEREAS, ORS has investigated the services to be offered by GABN and its intended customer service plans;

WHEREAS, ORS has reviewed the proposed tariff submitted by GABN;

WHEREAS, as a result of its investigations, ORS has determined (a) GABN intends to offer resold intrastate interexchange and local services; (b) the officers of GABN appear to possess sufficient technical and managerial abilities to adequately provide the services applied for; (c) based upon the information provided and the analysis performed, GABN appears to have access to sufficient financial resources necessary to provide the services proposed in its application; (c) GABN's proposed tariffs with the amendments as agreed to in this Stipulation Agreement comply with Commission statutes and regulations; (d) the provision of services by GABN will not adversely impact the availability of affordable telecommunications services; and (e) to the extent it is required to do so by the Commission, GABN will participate in the support of universally available telephone service at affordable rates; and (g) interexchange and local services by GABN will not adversely impact the public interest;

WHEREAS, to ensure compliance with the Commission's statutes and regulations, the Parties have agreed to the following comprehensive settlement of all issues in this docket;

WHEREFORE, in the spirit of compromise, the Parties hereby stipulate and agree to the following terms and conditions:

1) The Parties agree that GABN's Application and exhibits to the Application are incorporated into this Settlement Agreement and made a part hereof;

2) Parties agree to submit into the record before the Commission this Stipulation Agreement. The Parties also agree to stipulate to the filed testimony of GABN's witness William C. Colvin without cross-examination by ORS.

3) The Parties agree that the Company should be granted a Certificate of Public Convenience and Necessity to provide local exchange service and intrastate interexchange telecommunications services within the State of South Carolina;

4) The Company has requested a waiver of 26 S.C. Code Ann. Regs. 103-610 concerning the location of books and records. However, S.C. Code Ann. §58-9-380 provides that:

Each telephone utility shall have an office in one of the counties of this State in which its property or some part thereof is located and shall keep in such office all such books, accounts, papers and records as shall reasonably be required by the Office of Regulatory Staff. No books, accounts, papers or records required by the ORS to be kept within the State shall be removed at any time from the State except upon such conditions as may be prescribed by the Office of Regulatory Staff.

ORS is agreeable to allowing the Company to maintain its books and records outside of the State of South Carolina in exchange for the Company agreeing to provide access to its books and records. ORS is agreeable to the Company maintaining its books and records at its principal offices in Augusta, Georgia and the Company agrees to notify the ORS of any change in the location of the principal office or in the location where the books and records are maintained. This provision of the Stipulation Agreement shall not be construed as a waiver by ORS of S.C. Code Ann. § 58-4-55 or § 58-9-1070. ORS expressly reserves its rights to require the production of books, records and other information located within or outside of the State of South Carolina in order to carry out its duties and compliance with any state or federal regulation;

5) The Company has requested a waiver of any rule or regulation that might require a carrier to maintain its financial records in conformance with the Uniform System of Accounts ("USOA"). The Company acknowledges that S.C. Code Ann. § 58-9-340 provides that the ORS may, in its discretion and subject to the approval of the Commission, prescribe systems of

accounts to be kept by telephone utilities subject to the commission's jurisdiction and that the ORS may prescribe the manner in which the accounts shall be kept and may require every telephone utility to keep its books, papers, and records accurately and faithfully according to the system of accounts as prescribed by the ORS.

6) The Company agrees to keep its books, papers, and records in such a manner that permits ORS to audit revenues and expenses associated with its South Carolina operations for compliance with programs such as but not limited to the Universal Service Fund ("USF"), the Interim LEC Fund, dual party relay service fund, and gross receipts. The Company agrees to complete the reporting forms for such programs as but not limited to USF, dual party relay service fund, Interim LEC, and gross receipts as may be required by the ORS of telecommunications companies certificated to operate within South Carolina and as the reporting forms may be amended from time to time. The Company agrees that its books, papers and records shall be maintained in a manner such that Company revenues and expenditures related to its operations in South Carolina can be segregated from revenues and expenditures related to operations in other jurisdictions and that South Carolina jurisdictional revenues and expenditures may be reconciled to total Company revenues and expenditures from operations in all jurisdictions;

7) Given the Company's request to provide statewide service and although not specifically requested in the Company's Application, ORS does not oppose a waiver of 26 S.C. Code Ann. Regs. 103-612.2.3 which requires the filing of operating maps. However, should the Company establish local exchange service areas which differ from those of the incumbent local exchange carriers, the Company agrees it will notify the Commission and ORS of the change and file updated service;

8) The Company agrees to make arrangements with publishers of local directories in South Carolina to include the names and telephone numbers of GABN's subscribers and customers in local directories, unless a subscriber indicates his/her desire for an unpublished telephone number.

9) ORS does not oppose the Company's requests: (a) for flexible regulation for its local telecommunications service offerings consistent with Order No. 98-165 in Docket No. 97-467-C, such flexible regulation including specifically (i) adoption of a competitive rate structure incorporating maximum rate levels with the flexibility for rate adjustment below the maximum rate levels and (ii) presumptively valid tariff filings upon filing subject to an investigation of such tariff filing being instituted within thirty (30) days;

10) GABN agrees to a rate design for its residential interexchange services which includes maximum rate levels for each tariff charge. A rate structure incorporating maximum rate levels with the flexibility for adjustment below the maximum rate levels has been previously adopted by the Commission. Order No. 84-622, issued in Docket No. 84-10-C (August 2, 1984).

11) GABN agrees that it shall not adjust its residential interexchange rates below the approved maximum level without notice to the Commission and to the public. GABN agrees to file its proposed rate changes, publish its notice of such changes, and file affidavits of publication with the Commission two weeks prior to the effective date of the changes. However, the public notice requirement is waived, and therefore not required, for reductions below the maximum cap in instances which do not affect the general body of subscribers or do not constitute a general rate reduction. Order No. 93-638, issued in Docket No. 84-10-C (July 16, 1993). Any proposed increase in the maximum rate level for residential interexchange services reflected in the tariff which would be applicable to the general body of the Company's

subscribers shall constitute a general ratemaking proceeding and will be treated in accordance with the notice and hearing provisions of S.C.Code Ann. §58-9-540.

12) ORS does not oppose GABN's requests for alternative regulation of its interexchange service offerings consistent with the procedures described and set forth in Order No. 98-165 in Docket No. 97-467-C and Orders 95-1734 and 96-55 in Docket No. 95-661-C as modified by Order No. 2001-997 in Docket No. 2000-407-C. Alternative regulation of interexchange services provides for the (i) regulation of these services in the same manner as these services are regulated of AT&T Communications of the Southern States, Inc., (ii) removal of the maximum rate tariff requirements for GABN's business services, private line, and customer network-type offerings, except in instances governed by Order No. 2001-997 which reinstituted maximum rates for surcharges and rates associated with certain intrastate operator-assisted calls; (iii) presumptively valid tariff filings for these interexchange services unless an investigation of a particular filing is instituted within seven (7) days, in which case the tariff filing will be suspended until resolution of the investigation or until further order of the Commission; and (iv) the same regulatory treatment as AT&T Communications of the Southern States, Inc. in connection with any future relaxation of reporting requirements;

13) GABN agrees that it will allow an end-user of resold services to access an alternative interexchange carrier or operator service provider if the end-user expresses such a desire;

14) GABN agrees to file necessary financial information as directed by the Commission or ORS for universal service fund reporting, dual party relay service fund reporting, interim LEC fund reporting, annual reporting, gross receipts reporting, and/or any other reporting which may now or in the future be applicable to telecommunications providers such as GABN.

The Parties agree that such reports shall be filed pursuant to ORS' instructions and monies shall be remitted in accordance with the directions of the ORS and/or the Commission.

15) GABN agrees to maintain its books and records in a manner that would permit ORS to examine any of GABN's reports filed with the Commission and provided to ORS.

16) GABN agrees to file with the Commission and ORS a completed authorized utility representative forms within thirty (30) days of the Commission's order.

17) In the event that GABN offers prepaid calling card services in the future, GABN agrees that it shall obtain Commission approval and post a surety bond in the amount of \$5,000 as required by the Commission;

18) GABN agrees to comply with South Carolina Regulation 103-607 in that it will obtain a bond, irrevocable letter of credit, or certificate of deposit per the Commission's request prior to offering pre-paid local exchange services.

19) GABN agrees to comply with the verification regulations governing change of preferred carriers as established by the Federal Communications Commission ("FCC"). GABN agrees to comply with the marketing practices and guidelines established by the Commission in Order No. 95-658;

20) GABN agrees to comply with South Carolina Code Section § 58-9-300 entitled "Abandonment of Service." Additionally, to the extent applicable, GABN agrees to adhere to the FCC's rule 47 C.F.R. § 64.1190 and 64.1130 regarding preferred carrier freezes and the requirement that the form of the written authorization for the institution of the freeze be a separate or easily separable document. Prior to abandonment of service, GABN shall remove any preferred carrier freeze so as to enable consumers to seamlessly transfer their telephone numbers to another provider;

21) To the extent necessary, GABN agrees to engage in good faith negotiations with non-BellSouth incumbent local exchange carriers whose networks interconnect with BellSouth at the same local tandem regarding traffic exchange;

22) GABN agrees to comply with Title 23, Chapter 47 of the South Carolina Code Annotated, which governs the establishment and implementation of a "Public Safety Communications Center," also known as 911 services." GABN agrees to contact the appropriate authorities regarding 911 services in the counties and cities where GABN will be operating prior to initiating local service in South Carolina and shall provide the 911 coordinator in each county and/or city with information regarding GABN's operations.

23) GABN agrees to comply with all rules and regulations of the Commission unless the Commission has expressly waived such rule or regulation;

24) GABN agrees to file a final revised tariff with both the ORS and the Commission within 30 days of the Commission's order granting GABN's application and the revised tariff shall reflect and be in accordance with ORS' tariff revisions as shown in Attachment 1 to this Stipulation Agreement.

25) GABN agrees it will file its final, revised tariff utilizing the Commission's e-filing system for tariffs. The revised tariff should be electronically filed in a text searchable PDF format using the Commission's DMS System (<http://dms.psc.sc.gov>). An additional copy should be sent via email to etariff@psc.sc.gov to be included in the Commission's ETariff System (<http://etariff.psc.sc.gov>). Future revisions to the tariff should be made using the ETariff System. The revised tariff shall be consistent with the findings of this Order and shall be consistent with the Commission's Rules and Regulations.

26) ORS is charged by law with the duty to represent the public interest of South Carolina pursuant to S.C. Code § 58-4-10 (B). S.C. Code § 58-4-10(B)(1) through (3) read in part as follows:

... 'public interest' means a balancing of the following:

- (1) concerns of the using and consuming public with respect to public utility services, regardless of the class of customer;
- (2) economic development and job attraction and retention in South Carolina; and
- (3) preservation of the financial integrity of the State's public utilities and continued investment in and maintenance of utility facilities so as to provide reliable and high quality utility services.

ORS believes the Stipulation Agreement reached among the Parties serves the public interest as defined above;

27) The Parties agree to advocate that the Commission accept and approve this Stipulation Agreement in its entirety as a fair, reasonable and full resolution of all issues in the above-captioned proceeding and that the Commission take no action inconsistent with its adoption. The Parties further agree to cooperate in good faith with one another in recommending to the Commission that this Stipulation Agreement be accepted and approved by the Commission. The Parties agree to use reasonable efforts to defend and support any Commission order issued approving this Stipulation Agreement and the terms and conditions contained herein.

28) The Parties agree that signing this Stipulation Agreement will not constrain, inhibit, impair or prejudice their arguments or positions held in other collateral proceedings, nor will it constitute a precedent or evidence of acceptable practice in future proceedings. If the Commission declines to approve the Stipulation Agreement in its entirety, then any Party

desiring to do so may withdraw from the Stipulation Agreement in its entirety without penalty or obligation.

29) This Stipulation Agreement shall be interpreted according to South Carolina law.

30) The Parties represent that the terms of this Stipulation Agreement are based upon full and accurate information known as of the date this Stipulation Agreement is executed. If, after execution, either Party is made aware of information that conflicts, nullifies, or is otherwise materially different than that information upon which this Stipulation Agreement is based, either Party may withdraw from the Stipulation Agreement with written notice to the other Party.

31) The above terms and conditions fully represent the agreement of the Parties hereto. Therefore, each Party acknowledges its consent and agreement to this Stipulation Agreement by affixing its signature or by authorizing counsel to affix his or her signature to this document where indicated below. Counsel's signature represents his or her representation that his or her client has authorized the execution of the agreement. Facsimile signatures and email signatures shall be as effective as original signatures to bind any party. This document may be signed in counterparts, with the original signature pages combined with the body of the document constituting an original and provable copy of this Stipulation Agreement. The Parties agree that in the event any Party should fail to indicate its consent to this Stipulation Agreement and the terms contained herein, then this Stipulation Agreement shall be null and void and will not be binding on any Party.

[SIGNATURES ON FOLLOWING PAGES]

WE AGREE:

Representing the Office of Regulatory Staff

Shannon Bowyer Hudson

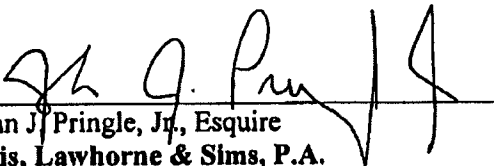
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3-5-10

Date

WE AGREE:

Representing Georgia Business Net Telecommunications, LLC



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Columbia, SC 29202
Phone: 803-343-1270
Fax: 803-779-4749
jpringle@ellislawhorne.com

3/05/10
Date

Attachment 1

Revisions to Tariff filed with Application

Original Sheet No. 25 5.0.2—Although the Company intends to offer its services as “ICB”s, Commission Reg. 103-612 mandates each tariff contain a list and definition of all types classes, grades, classification and forms of regulated services. Therefore, the Company should list the specific services that it will provide and mark these as “ICB.”